

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SS-15 NSC-05 AID-05 CEA-01 CIAE-00

COME-00 EB-07 EA-06 FRB-03 INR-07 IO-10 NEA-10

NSAE-00 OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01

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TO SECSTATE WASH DC 7129

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E. O. 11652: N/A

TAGS: AORG, OECD, NATO

SUBJECT: 1974 GENERAL REVIEW OF SALARIES FOR THE
COORDINATED ORGANIZATIONS

REF: A) OECD PARIS 12205; B) OECD PA RIS 12275; C)
STATE 112999; D) STATE 113409; E) OECD PARIS 11898

1. SUMMARY. DURING CLOSING SESSION L45TH MEETING, CCG
APPROVED NEW SALARY SCALES FOR B AND C GRADES AND FOR-
WARDED THEM TO COUNCILS FOR APPROVAL. WP12 TO MEET MAY
26 TO CONTINUE DISCUSSIONS ON PROPOSED NEW PROCEDURES
FOR COST OF LIVING ADJUSTMENTS. MISSION HOPEFUL THAT
APPROVAL OF STANDARD OF LIVING INCREASES FOR B AND C
GRADES AND AUTHORIZATION TO APPROVE, IF NECESSARY,
MAJORITY VIEW ON INCREASES FOR A AND L GRADES, WILL SERVE
TO DEFUSE MOVE TOWARDS WORK DISTURBANCES DURING MINISTER-
IALS. HOWEVER, MISSION CANNOT DISCOUNT POSSIBILITY OF
SOME STAFF ASSOCIATION ACTIVITY EXPRESSING THEIR DIS-
SATISFACTION OVER PROSPECT HAVING PROCEDURES FOR COST OF
LIVING ADJUSTMENTS CHANGED. END SUMMARY. ACTION
REQUESTED: REQUEST INSTRUCTIONS PARA. 5 PRIOR WORKING
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PARTY XII MEETING ON MAY 26.

2. DEPUTY SECRETARY-GENERAL WOOTTON STATED THAT SECRETARY-GENERAL MUST STAND FIRM IN OPPOSING THE REDUCTIONS IN COST OF LIVING INCREASES THAT HAVE BEEN PROPOSED BY THE WP12. HE CLAIMED THAT STAFF ASSOCIATIONS SAW THIS AS A STEP BACKWARD AND AS A REDUCTION IN BENEFITS PRESENTLY BEING ACCORDED TO THE STAFF OF THE COORDINATED ORGANIZATIONS. HE ATTEMPTED PERSUADE CCG TO DISASSOCIATE STANDARD OF LIVING PROPOSALS FROM DISCUSSIONS ON PROCEDURAL CHANGES OR ALTERNATIVELY, TO CONSIDER IMPOSING A REDUCTION OF COST OF LIVING INCREASES ONLY TO GRADES A5 AND ABOVE. EVEN IN THAT INSTANCE, HE SUGGESTED THAT THE DENIAL OF THE INCREASES BE MADE DISCRETIONARY AND SUBJECT TO INDIVIDUAL ACTION WHEN DECISIONS ARE MADE ON COST OF LIVING CHANGES.

3. ALTHOUGH WILLING CONSIDER APPROVAL OF INCREASES FOR B AND C GRADES AT THIS TIME, MOST DELEGATIONS PREFERRED DEAL WITH BOTH PROCEDURAL CHANGES AND INCREASES FOR A AND L GRADES AS PART OF FINAL CCG REPORT ON THE 1974 GENERAL REVIEW OF SALARIES. GERMAN DELEGATE EXPRESSED WILLINGNESS TO ACCEPT MAJORITY POSITION ON SALARY INCREASES FOR A AND L GRADES IF ASSOCIATED WITH AGREEMENT ON PROCEDURAL CHANGES FOR COST OF LIVING ADJUSTMENTS. IN ORDER TO RESOLVE THE ISSUE OF COST OF LIVING PROCEDURES, HE PROPOSED COMPROMISE THAT WOULD RETAIN MAIN INGREDIENTS OF PROPOSED FORMULA BUT WOULD PROVIDE FOR AN IMPLEMENTATION DATE OF JANUARY 1, 1976 AND WOULD CALL FOR A FULL SCALE REVIEW OF THE COST OF LIVING PROCEDURES IN CONNECTION WITH THE 1976 GENERAL REVIEW OF SALARIES. AT CCG MEETING AND IN SEPARATE BILATERAL DISCUSSIONS, GERMAN DELEGATION INDICATED THAT THEY FELT IT WAS IMPORTANT TO BRING ABOUT CHANGES IN THE PROCEDURES FOR COST OF LIVING ADJUSTMENTS THAT WOULD SLOW SOMEWHAT THE RAPID

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MOVEMENT OF SALARIES BUT THAT THEY WERE WILLING TO ACCEPT MINOR CHANGES SUCH AS THE ESTABLISHMENT OF A THRESHHOLD FOR EXCEPTIONAL REVIEWS AND SOME MINOR CHANGES IN THE GROUPING OF GRADES THAT WERE SET OUT IN PARA. 3 OF REF. E).

4. U. S. REPRESENTATIVE SUPPORTED NEED TO ESTABLISH NEW PROCEDURES FOR COST OF LIVING ADJUSTMENTS AND IN ACCORDANCE REF. C) CONTINUED TO INSIST ON EARLY APPLICABILITY OF NEW PROCEDURES. US AND GERMAN REPRESENTATIVES CONTINUE BE MAJOR PROPONENTS NEED TO RESTRICT GROWTH OF SALARIES IN COORDINATED ORGANIZATIONS AND TO PRESS FOR ADOPTION OF MORE RESTRICTIVE PROCEDURES FOR COST OF LIVING CHANGES. OTHER KEY DELEGATIONS, SUCH AS NETHERLANDS, BELGIUM AND UK WILLING SUPPORT ADOPTION OF MORE RESTRICTIVE PROCEDURES BUT HAVE BEEN UNWILLING TO TAKE ACTIVE LEAD IN CCG DISCUSSIONS.

5. IN VIEW STRONG INSTRUCTIONS TO MODERATE GROWTH OF SALARIES IN COORDINATED ORGANIZATIONS, MISSION BELIEVES LIMITED OFFICIAL USE

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IT MORE IMPORTANT TO SEEK CONSENSUS ON COST OF LIVING FORMULA AT EARLY DATE (WITH PROVISIO TO RE-EXAMINE ENTIRE PROCEDURES FOR COST OF LIVING ADJUSTMENTS AT TIME OF NEXT GENERAL REVIEW) RATHER THAN ALLOW DISCUSSION TO CONTINUE FOR FURTHER EXTENDED PERIOD OF TIME WHICH WOULD PROVIDE OPPORTUNITY FOR STAFF ASSOCIATIONS TO BUILD UP OPPOSITION TO THE PROPOSED NEW PROCEDURES. TO REACH EARLY DECISION IN CCG, MISSION PLANS CONTINUE PRESS FOR POSITIONS OUTLINED REF. C) BUT REQUESTS AUTHORIZATION TO ACCEPT GERMAN COMPROMISE IN EVENT THIS COMPROMISE PROPOSAL RECEIVES NEAR UNANIMOUS SUPPORT AT WORKING PARTY XII MEETING SCHEDULED FOR MAY 26 AND DURING

SUBSEQUENT CCG MEETING ON JUNE 11.
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